AT&T Investor Update

4th Quarter Earnings

January 27, 2021

Q4 2020 AT&T EARNINGS

Cautionary Language Concerning Forward-Looking Statements

Information set forth in this presentation contains financial estimates and other forward-looking statements that are subject to risks and uncertainties, and actual results might differ materially. A discussion of factors that may affect future results is contained in AT&T's filings with the Securities and Exchange Commission. AT&T disclaims any obligation to update and revise statements contained in this presentation based on new information or otherwise.

This presentation may contain certain non-GAAP financial measures. Reconciliations between the non-GAAP financial measures and the GAAP financial measures are available on the company's website at https://investors.att.com.

The "quiet period" for FCC Spectrum Auction 107 is in effect. During the quiet period, auction applicants are required to avoid discussions of bids, bidding strategy and post-auction market structure with other auction applicants.

Important additional Information:

AT&T has filed a Form 8-K reporting the quarterly results for the fourth quarter of 2020. The 8-K must be read in conjunction with this presentation and contains additional important details on the quarterly results.

2020 – Execution of Customer-Focused Priorities Despite COVID Challenges

Solid execution yields customer gains

- ~1.5 million postpaid phone additions, highest since 2011
- 1 million+ fiber broadband net adds with market penetration reaching ~34%
- Total U.S. HBO Max/HBO subs[1] top 41 million

Strong cash flows support significant investment and shareholder return

- Generated $27.5B in free cash flow[2] in 2020, yielding a dividend payout ratio of 54.5%[2]
- Invested ~$20B in gross capital investment[3]; significant investment in HBO Max
- Effectively extended near-term debt maturities; reduced net debt by ~$33B since TWX close

Business transformation to drive efficiencies and fund investment

- Aligned resources to areas of strategic focus
- Continued cost management across the company
- Optimized sales distribution thru innovation

[1] Domestic HBO Max and HBO subscribers exclude customers that are part of a free trial and exclude Cinemax.
[2] See footnote 2 on slide 7.
[3] See footnote 3 on slide 7.

2021 Priorities

Grow customer relationships

- *5G wireless and fiber-based connectivity*
- *Expanding breadth and reach of software-based entertainment platforms*
- *Commitment to customer experience and engagement*

Being effective and efficient in everything we do

- *Transformation continues, funding growth*
- *Improving customer service to meet evolving customer needs*
- *Improving positioning for post-pandemic environment*

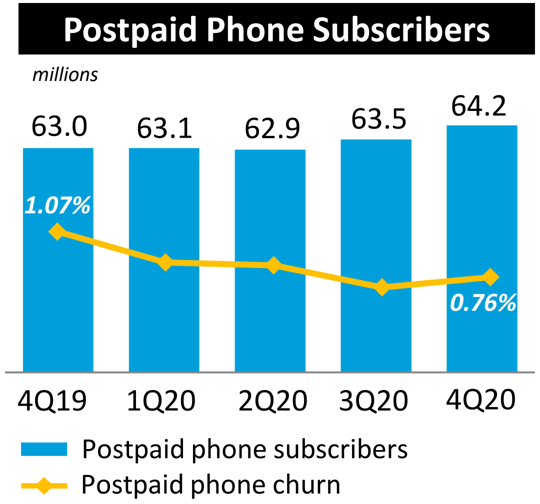
Deliberate capital allocation

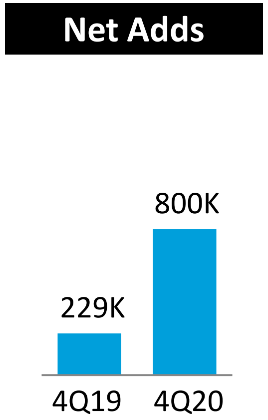
- *Investing in strategic growth – 5G, fiber, HBO Max*
- *Committed to sustaining dividend at current levels*
- *Utilizing cash after dividends to reduce debt*
- *Continued portfolio review – restructuring non-core assets*

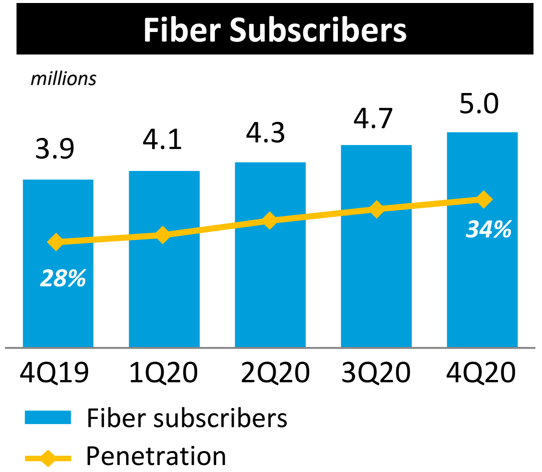
4Q20 Results

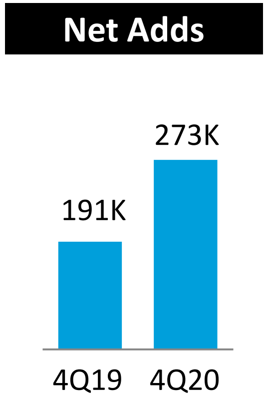
4Q20 – Subscriber Momentum Continues

Broadband Connectivity

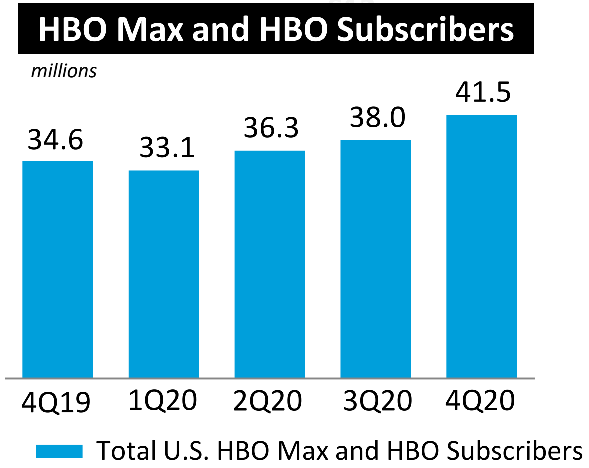


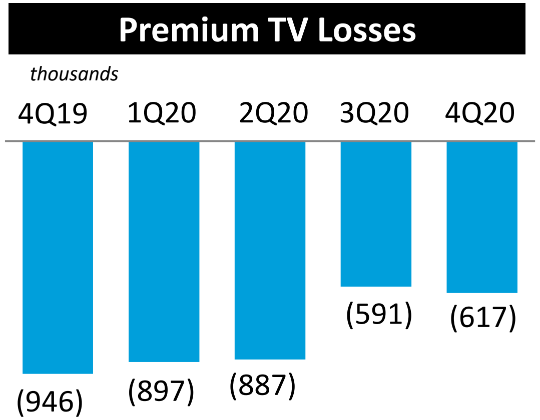






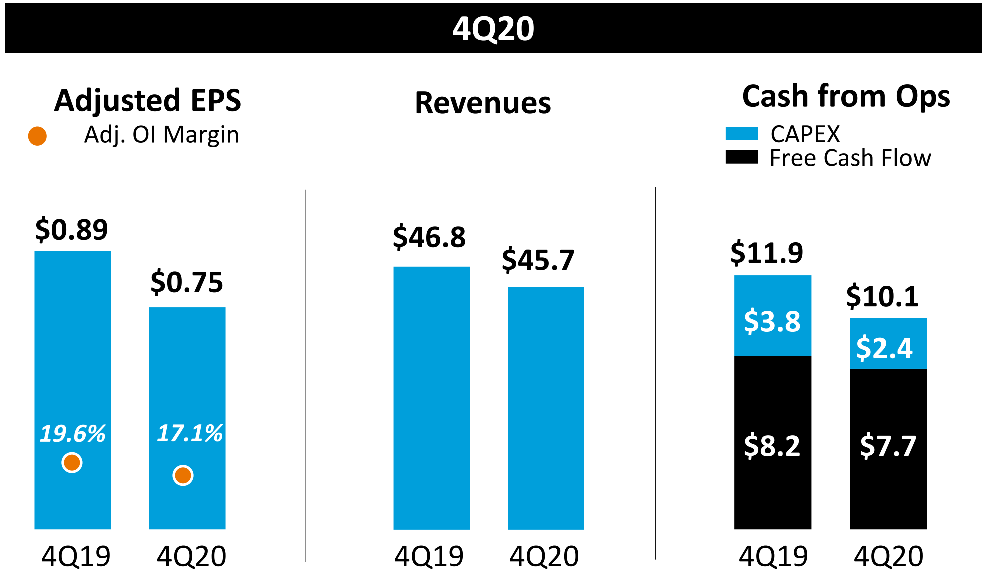
Software-Based Entertainment





4Q20 Financial Summary

$ in billions, except EPS



	4Q19	4Q20
Reported EPS	$0.33	($1.95)
Adjustments:		
• Impairments[1]	$0.16	$2.02
• Actuarial loss on benefit plans	$0.12	$0.43
• Amortization of intangibles	$0.19	$0.22
• Other adjustments	$0.09	$0.03
Adjusted EPS	$0.89	$0.75

Adjusted EPS of $0.75

- COVID impacts of ($0.08)

Revenues of $45.7 billion

- Communications segment revenue growth
- Customer base momentum drives sequential growth
- Estimated COVID impacts of ($2.5B)

Strong cash flows and liquidity position

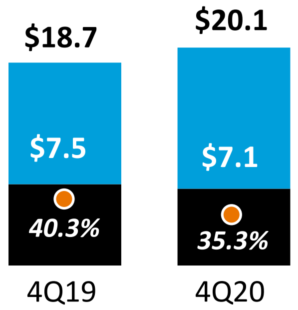
- $7.7B free cash flow,[2] $27.5B for 2020
- 2020 total dividend payout ratio[2] of 54.5%
- 2020 full-year gross capital investment[3] of ~$20B
- $147.5B in net debt; ~$10B cash on hand at end of 4Q20

[1]4Q20 includes non-cash impairments of $1.91 for the Video business and $0.09 of WarnerMedia production and other content inventory.
[2]Free cash flow is a non-GAAP financial measure that is frequently used by investors and credit rating agencies to provide relevant and useful information. Free cash flow is cash from operating activities minus capital expenditures. For 2020, Cash from operating activities was $43.1 billion and 2020 capital expenditures were $15.7 billion. Free cash flow total dividend payout ratio is total dividends paid divided by free cash flow. In 4Q20, dividends paid totaled $3.741 billion. For 2020, dividends paid totaled $14.956 billion.
[3]Gross capital investment includes capital expenditures and cash payments for vendor financing and excludes FirstNet reimbursements. In 4Q20, gross capital investment included $1 billion in vendor financing payments and excluded $920 million of FirstNet reimbursements. In 2020, gross capital investment included $3.0 billion in vendor financing payments and excluded $1.1 billion of FirstNet reimbursements. In 2021, vendor financing payments are expected to be in the $2 billion range and FirstNet reimbursements are expected to be about $1 billion.

4Q20 Communications Segment

$ in billions REVENUES EBITDA
EBITDA MARGIN

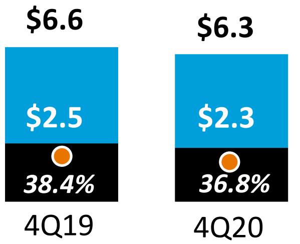
Mobility



Strong subscriber momentum continues

- Successful promotions drove customer growth and lower churn
  - Near-record postpaid phone churn of 0.76% - full year 0.79%
  - Service revenues returned to growth as subscriber gains offset roaming declines of ~($200M)

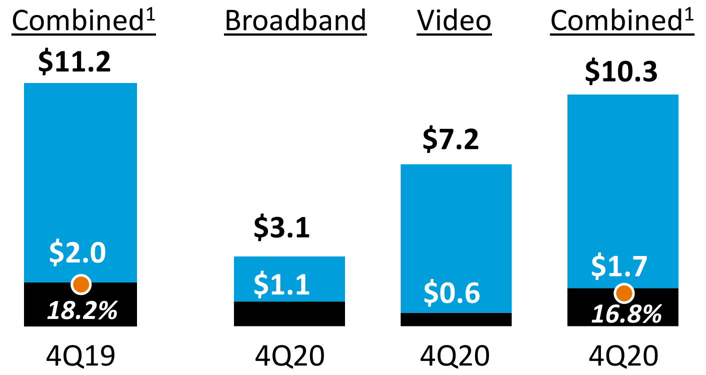
Business Wireline



Business Wireline continues to deliver solid margins

- Growth in strategic and managed services helped offset declines in legacy services revenues
- COVID-related estimated revenue impact of ~($100M)
- Continued focus on higher-margin products and services

Broadband & Video (formerly Entertainment Group)[1]

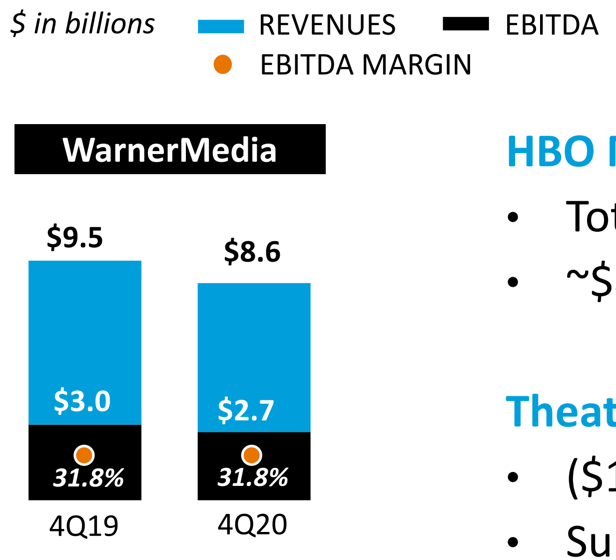


Focus on fiber and high-quality customer base

- 273,000 fiber net adds in 4Q; 1 million+ in 2020
- Premium TV net loss improvement (617K) due to lower churn

[1]For comparative purposes, Combined represents the historical Entertainment Group business unit that is calculated by combining the Video and Broadband business units, adjusted to remove the business video operations previously reported in the Business Wireline business unit.

4Q20 WarnerMedia Segment



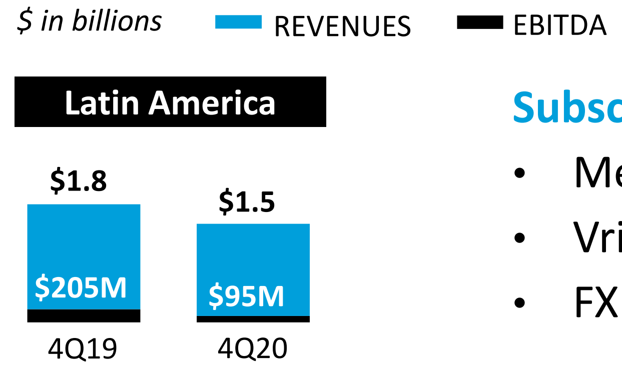
HBO Max investment supports strong subscriber growth

- Total HBO Max/HBO U.S. subscribers top 41 million
- ~$800M investment in 4Q20; more than $2B in 2020

Theatrical/TV impacted by COVID; subscription and advertising were resilient

- ($1.6B) estimated revenue impact from COVID from lower Theatrical and TV revenues
- Subscription revenues up 8% with HBO Max driving organic growth
- Advertising revenues up 7% with higher political and news; partially offset by sports

4Q20 Latin America Segment



Subscriber trends improved as year progressed; financial results reflect FX impacts

- Mexico wireless net additions of 529K
- Vrio video subscriber net additions of 49K
- FX revenue impact of ~($225M) and EBITDA impact of ~($48M)

2021 Guidance

2021 Consolidated Financial Guidance

		KEY ASSUMPTIONS
REVENUE GROWTH	***1% range***	• *Wireless service revenue growth of ~2%* • *Gradual improvement in WarnerMedia*
EPS – ADJUSTED[1]	***Stable with 2020***	• *Modest Mobility EBITDA growth* • *Increased HBO Max investment* • *Cost transformation reinvested in growth*
GROSS CAPITAL INVESTMENT[2] **CAPITAL EXPENDITURES**	***$21B range*** ***$18B range***	• *Focus on fiber and wireless densification* • *Expect ~$2B in vendor financing payments and ~$1B in FirstNet reimbursements*
FREE CASH FLOW[3]	***$26B range***	• *Total dividend payout ratio in the high 50's% range*
LONG-TERM DEBT MANAGEMENT		• *Utilizing cash after dividends to reduce net debt* • *Continued portfolio review for asset monetization*

[1] The company expects adjustments to 2021 reported diluted EPS to include merger-related amortization of about $5.9 billion and other adjustments, a non-cash mark-to-market benefit plan gain/loss, merger integration and other adjustments. Based on historical results, we expect the mark-to-market adjustment which is driven by interest rates and investment returns that are not reasonably estimable at this time, to be a significant item. Our 2021 EPS estimates depend on future levels of revenues and expenses which are not reasonably estimable at this time. Accordingly, we cannot provide a reconciliation between our non-GAAP metrics and the reported GAAP metrics without unreasonable effort.

[2] Gross capital investment includes capital expenditures and cash payments for vendor financing and excludes expected FirstNet reimbursements

[3] Free cash flow total dividend payout ratio is total dividends paid divided by free cash flow. Free cash flow is cash from operating activities minus capital expenditures. Due to high variability and difficulty in predicting items that impact cash from operating activities and capital expenditures, the company is not able to provide a reconciliation between projected free cash flow and the most comparable GAAP metric without unreasonable effort.

Q&A

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